American Energy and Conservation Act of 2016 Legislative Overview

OFFSHORE REVENUE SHARING

- Establishes 37.5% revenue sharing for Alaska and Mid-Atlantic states (VA, NC, SC, & GA) starting in 2027, with an effective revenue sharing limitation during the following period:
    - 2027-2036: $75,000,000
    - 2037-2055: $205,000,000
    - 2056-2067: $410,000,000
    - 2068 and thereafter: No limitation

- Maintains 37.5% revenue sharing for Gulf States as described under the Gulf of Mexico Energy Security Act of 2006 (GOMESA) and increases Gulf State revenue sharing above the GOMESA $500 million limitation (existing law) during the follow period:
    - 2027-2036: $335,000,000
    - 2037-2055: $205,000,000
    - 2056 and thereafter: No limitation (existing law)

- Directs 12.5% of federal treasury revenues generated in the Gulf, Mid-Atlantic and Alaska OCS to:
    - Gulf OCS
        - 11% to the Land and Water Conservation Fund (LWCF) – state grant program - providing <u>an additional $1.6 billion to the LWCF</u> in years 2027-2055
        - 1.5% <u>($15 million annually starting in 2017 with a total of $802 million in years 2017-2055)</u> to the LWCF for projects that increase access to public lands for hunting, fishing, and other outdoor recreational activities
    - Mid-Atlantic OCS
        - 4.2% to energy efficiency, renewable energy, & nuclear energy programs at US DOE
        - 4.2% to the National Park Service for deferred Maintenance
        - 4.2% to the US DOT to administer and award TIGER discretionary grants
    - Alaska OCS
        - 6.25% to a Tribal Resilience Program – funding to help federally recognized tribes and tribally chartered organizations with climate change adaptation and ocean and coastal management planning projects.
        - 6.25% to the Payment In Lieu of Taxes (PILT) Program

State Distribution Details:

- The GOMESA state distribution is unchanged, other than the temporary cap increase.
- The Mid-Atlantic states' share is 37.5% and each Governor <u>may</u> distribute shared revenue in the following manner:
    - 10% of the 37.5% to state-led land and water conservation programs, state transportation projects and alternative, renewable and clean energy production and generation.
    - 2.5% of the 37.5% to geological and geophysical education
- The Alaska 37.5% share is distributed in the following manner:
    - 28% to State of Alaska
    - 7.5% to coastal political subdivisions
        - 90% of the 7.5% will be distributed based on a formula related to distance (within 200 miles) from the applicable least tract
        - 10% of 7.5% to be Governor-determined staging areas beyond the 200 mile distance
  - 2% to the Denali Commission

ONSHORE REVENUE SHARING

- Restores 50% in onshore revenue sharing for interior states. A 2013 law (P.L. 113-67) allocated 2% of the state share of revenue to the Dept. of Interior for administrative overhead costs. Restoring the 2% will amount to an additional $38 million annually for onshore state revenue sharing.

PARITY FOR OFFHSORE WIND REVENUE SHARING

- Provides for 37.5% of the revenues received by the federal government as a result of payments from offshore wind energy production projects that are located wholly or partially within the area extending 30 nautical miles seaward of State submerged lands. Payments will be made based on a formula established by the Secretary of Interior that provides for equitable distribution, based on proximity to the project, among coastal states that have a coastline that is located within 15 miles of the geographic center of the project.

DEVELOPMENT OF GEOTHERMAL, SOLAR, AND WIND ENERGY ON PUBLIC LAND

- Streamlines the environmental review of solar, wind, and geothermal projects on public lands and establishes a program at the Department of the Interior focused on making the permitting process more efficient. The legislation also establishes a revenue share systems that aids local communities that are home to potential projects and helps mitigate the impact construction could have on the land, water, and on wildlife. The disposition of revenues will be disbursed in the following manner starting in 2027:
    - 25% to the States within the boundaries of which the revenue is derived
    - 25% to counties/parishes within the boundaries of which revenue is derived
    - 15% to DOI for the purpose of expediting the issuance of permits for renewable energy production
    - 25% to the Renewable Energy Resource Conservation Fund for restoring and protecting:
        - Fish and wildlife habitats
        - Fish and wildlife corridors
        - Water resources in areas affected by wind, geothermal, or solar energy development
        - Preserving and improving recreational access to federal lands and water in affected regions
    - 10% to the U.S. Treasury